## REMARKS

In the above-identified office action, the Examiner has rejected claims 1-4 as anticipated by the patent to Nady. Applicant has amended Claim 1 reintroducing it as new Claim 5. As presented, Claim 5 better defines over Nady in that Nady's transmitter includes a "midband preemphasis circuit 37" which works in the frequency band of 400HZ to 3000Hz; the preemphasis 37 is put before a compressor which includes an amplifier 38, variable gain stage 39, midband preemphasis circuit 41 and average value detector 40 (column 2, lines 42 to 57). On the other hand, applicant's transmitter includes a pre-emphasis circuit which emphasizes an output signal of a compressor in +6dB in both the gain and the high frequencies.

Further, Nady's receiver shows a midband preemphasis circuit 55 and a midband deemphasis circuit 57. The midband preemphasis 55 is connected to a demodulator 50 through an audio amplifier 52 in parallel with a variable gain stage 53. Applicant's receiver has two de-emphasis circuits. Both of the de-emphasis circuits de-emphasizes signals in -6dB in both the gain and the high frequencies. Moreover, a de-emphasis 25 is connected to a demodulator 23 in parallel with a G cell 241.

Thus, Nady's receiver teaches midband preemphasis and deemphasis whereas applicant's invention is high band de-emphasis and pre-emphasis. Moreover, the subject invention pre-emphasizes and de-emphasizes in both the gain and the high frequencies. Such is not taught by Nady.

Applicant hereby requests reconsideration and reexamination thereof.

With the above amendments and remarks, this application is considered ready for allowance and Applicant earnestly solicits an early notice of same. Should the Examiner be of the opinion that a telephone conference would expedite prosecution of the subject application, he is respectfully requested to call the undersigned at the below-listed number.

Respectfully submitted,

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